

RECORDATION NO. 29672 FILED

MAR 04 '11 -3 57 PM

SURFACE TRANSPORTATION BOARD

OSTER RESEARCHING SERVICES

12897 Colonial Drive
Mt. Airy, Maryland 21771
(301) 253-6040
maryannoster@comcast.net

March 4, 2011

Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

Dear Section Chief:

Enclosed for recording with the Surface Transportation Board are one original and one counterpart of the document described below to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code:

Memorandum of Security Agreement 12/10/10

Secured Party: Wells Fargo Equipment Finance, Inc.
733 Marquette Avenue
Minneapolis, MN 55402

Debtor: Elmore Financial, LLC
696 N. 8th Street
Brawley, CA 92227

Equipment: 20, H350 Open-top Hoppers
EAMX 300-319

Please record this agreement as a primary document. The filing fee of 41 is enclosed.
Thank you.

Sincerely,



Mary Ann Oster
Research Consultant

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WELLS
FARGOWells Fargo Equipment Finance
Investors Building, Suite 700
733 Marquette Ave So
Minneapolis, MN 55402SURFACE TRANSPORTATION ~~MEMO~~ **Memorandum of Security Agreement**

THIS MEMORANDUM OF SECURITY AGREEMENT (this "Memorandum") is made this 10th day of December, 2010, by and between Elmore Financial, LLC, a California corporation ("Debtor"), and WELLS FARGO EQUIPMENT FINANCE, INC, a Minnesota Corporation ("Secured Party").

A. The Debtor is indebted to the Secured Party pursuant to that certain Promissory Note dated as of December 10, 2010 (the "Note") executed by the Debtor in favor of the Secured Party.

B. To secure the Debtor's obligations to the Secured Party, the Debtor executed and delivered to the Secured Party a Security Agreement dated December 10, 2010 pursuant to which the Debtor granted to the Secured Party a continuing, first priority security interest in and to, and lien on, the following collateral:

(a) Twenty (20) 1980 built Open Top Hoppers Railcars with the following markings described on Schedule A attached hereto (each, a "Railcar", collectively, the "Railcars") and all replacements and substitutions thereof;

(b) all improvements, additions, modifications, accessions, attachments, appurtenances and parts appertaining or attached to the Railcars, whether now owned or hereafter acquired;

(c) all logs, books and records pertaining to the use, operation and/or maintenance of the Railcars or otherwise relating to any of the collateral described herein;

(d) all rights, claims and causes of action, if any, which the Debtor may have now or in the future against any manufacturer, rebuilder or seller of the Railcars (or any component thereof) or any other Person, by contract or otherwise, in respect of any defect in the Railcars or any part thereof;

(e) any agreement now or hereafter entered into for leasing the Railcars to any third party, including, without limitation, the Rail Car Lease dated Master Lease No. P1-0506 Schedule No. 01, dated June 16, 2006 between Everest Railcar Services, Inc. which they assigned to Elmore Financial, LLC, the Debtor and Potters Industries and the right to receive all payments and other sums due and to become due from time to time thereunder, to receive all notices and give consents, to exercise any election or option, to declare defaults and to demand payment of any sum due in connection therewith;

(f) all rent, damages and other moneys from time to time payable to or receivable by the Debtor in respect of the Railcars; and

(g) all proceeds (cash and non-cash), including insurance proceeds, settlement proceeds and condemnation awards thereof.

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed as of the date first above written.

Elmore Financial, LLC

By: John ElmoreIts: member

WELLS FARGO EQUIPMENT FINANCE, INC.

By: Peter J. NaasIts: Contract Administrator

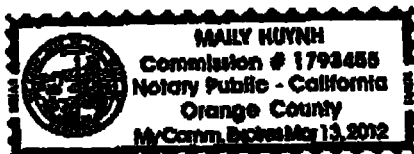
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of OrangeOn December 14, 2010 before me, MALIN HUYNH, Notary Publicpersonally appeared John Elmore

Here Insert Name and Title of the Officer

Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: [Signature]

Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____

Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

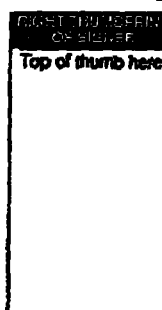
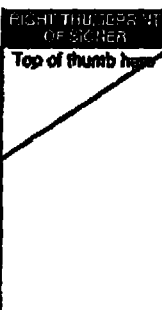
Signer's Name: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Corporate Officer — Title(s): _____☐ Individual☐ Individual☐ Partner — ☐ Limited ☐ General☐ Partner — ☐ Limited ☐ General☐ Attorney in Fact☐ Attorney in Fact☐ Trustee☐ Trustee☐ Guardian or Conservator☐ Guardian or Conservator☐ Other: _____☐ Other: _____

Signer Is Representing: _____

Signer Is Representing: _____



STATE OF MN
COUNTY OF Hennepin

On this 4th day of March, 2003, before me, a Notary Public of the City and State aforesaid, personally appeared Peter S. Naas to me personally known, who being by me duly sworn, says that he is the Secretary of Wells Fargo Equipment Trust the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal
MARGARET J. KIERHAN
Notary Public-Minnesota
My Commission Expires Jan 31, 2015

[Signature]
Notary Public

My commission expires: 1-31-2015

STATE OF Minn
COUNTY OF Shannon

On this _____ day of _____, 2003, before me a Notary Public of the City and State aforesaid, personally appeared _____ to me personally known who being by me duly sworn, says that (he/she) is a _____ of _____ that foregoing instrument is/was signed on behalf of said corporation by authority of its Board of Directors, and (he/she) acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

AS WITNESS my hand and notarial seal.

(Seal)

Notary Public

My commission expires:

WELLS
FARGO**Schedule A**
to Memorandum of
Security Agreement

Contract Number 0221138-702 dated as of December 10, 2010

Debtor: *Elmore Financial, LLC*

Twenty (20) 1980 built Open Top Hoppers railcars, AAR Car Type Code H350 with the following markings:

COUNT	CAR MARK	CAR NO.
1	EAMX	300
2	EAMX	301
3	EAMX	302
4	EAMX	303
5	EAMX	304
6	EAMX	305
7	EAMX	306
8	EAMX	307
9	EAMX	308
10	EAMX	309
11	EAMX	310
12	EAMX	311
13	EAMX	312
14	EAMX	313
15	EAMX	314
16	EAMX	315
17	EAMX	316
18	EAMX	317
19	EAMX	318
20	EAMX	319

Dated: December 10, 2010

Debtor: *Elmore Financial, LLC*By: *John Elmore*Its: *member*